REMARKS

In response to the rejection under 35 USC 112, second paragraph with respect to the formula recited in claims 1 and 11 and the formula recites in claims 2 and 12, Applicant disagrees with the examiner's rejection that the formulas in claims 1, 11 and 2,12 contradict each other.

Claim 1 states that the score is calculated by combining the weighted average of scores of the historical contractor variables. The combination of the weighted averages is NOT an average as alleged by the examiner. It is simply a number of weighted averages (which are just values) which are combined together to arrive at a score which has a value.

Claim 2 states the formula for calculating the score is $\varepsilon(Ai) / \varepsilon(Mi) * 100$ where Ai=Assigned score on historical contractor variable i; Mi = maximum score on historical contractor variable i and ε is a summation symbol. The value $\varepsilon (Ai) / \varepsilon(Mi)$ is in fact a weighted average of all of the contractor variables. The multiplication of that number results in a bigger number which has a value. However, the formula in claim 2 is NOT a percentage, but simply a score with a value based on weighted averages. The formula in claims 2 and 12 is just a more specific recitation of the score.

In response to the examiner arguments in the recent office action, the examiner is reading the specification (discussing a ratio) and limiting the claim which is inappropriate. Furthermore, although the specification talks about a ratio (which is due to the fact that you have a summation of values divided by another summation of values in the formula), the formula is in fact a weighted average as described above so that the formulas in claims 1 and 11 is entirely consistent with the formula in claims 2 and 12 and the rejection under 35 USC 112, second paragraph should be withdrawn.

PRIOR ART REJECTIONS

In response to the examiner's rejection of claims 1 and 11 as being anticipated under 35 USC 102 by WO 02/23443 to Flynn ("Flynn"), the rejection of claims 2-4 and 12-14 as being unpatentable under 35 USC 103 over Flynn in view of US Patent No. 7,359,865 to Connor et al. ("Connor"), the rejection of claims 5-6, 8, 15-16 and 18 as being obvious over Flynn and Connor in view of US Patent Application Publication No. 2003/0105689 to Chandak et al. ("Chandak"), the

rejection of claims 7 and 17 as being obvious over Flynn, Connor and Chandak and further in view of US Patent Application Publication No. 2003/0225651 to Chen ("Chen"), the rejection of claims 9 and 19 as being obvious over Flynn in view of US Patent No. 6,513,019 to Lewis ("Lewis") and the rejection of claims 10 and 20-23 as being obvious over Flynn in view of US Patent Application Publication No. 2004/0054553 to Zizzamia et al. ("Zizzamia"), Applicant traverses the rejections because, as set forth below, each claim element is not found in Flynn and the combination of Flynn and the other prior art (Connor, Chandak, Chen, Lewis and/or Zizzamia) and therefore Flynn and the other prior art does not render the claims obvious because the examiner has not establishes a prima facie case of obviousness for the reasons set forth below.

Flynn

Flynn discloses a method and apparatus for producing reduced risk loans (See Title) for a construction loan or trade loan. *See Flynn at pg. 11, lines 3-6.* To determine the risk of the loan, the system gleans data from the loan application and a financial & property/project questionnaire and stores the information in character (Loan Applicant's reputation), financial (Loan Applicant's past and current financial data), property (real estate information used for construction loans), legal (contractual terms) and project risk assessment files (for a trade loan request.) *See Flynn at pg. 12, lines 7-18.* The Flynn system uses the above information in the risk assessment files to evaluate whether or not to give the particular contractor a construction loan or a trade loan. *See Flynn at pg. 13, lines 5-6.*

Claims 1 and 11

These claims were rejected as being anticipated by Flynn. However, the examiner has not established that each claim element is found, expressly or inherently, in Flynn as required by MPEP 2131 so that the anticipation rejection is improper and must be withdrawn.

Claim 1

Claim Elements are Not Found in Flynn

Applicant incorporates the prior arguments made to the examiner in response to the Final office action in which claim elements are described as not being disclosed in Flynn, but does not

repeat them herein to clarity. Based on these arguments, several claim elements of claim 1 are not found in Flynn.

In addition, claim 1 now recites "said program extracts data from one or more external database and collects historical contractor variables from the extracted external database data" which is not disclosed by Flynn because Flynn gathers data from the loan application and a financial & property/project questionnaire which are not external databases. This argument was not addressed by the examiner in the latest office action. Thus, several claim elements are not found in Flynn.

Furthermore, in the latest office action, the examiner admits that the types of historical variables specifically recited in claim 1 (the claimed one or more contractor structure variables, one or more size of contractor business variables, one or more contractor stability variables, one or more contractor engagement variables and one or more contractor performance variables) are not found in Flynn. *See Office action at 5*. The examiner instead argues that, "Examiner asserts the type of historical variables hold little patentable weight in the method and system claim. Examiner asserts that the method of assigning a score to historical contractor variables would be performed the same regardless of the type of variable." *See Office action at 5*. However, in order to anticipate a claim, each claim element must be found, expressly or inherently, in Flynn. Furthermore, "[A]nticipation under § 102 can be found only when the reference discloses exactly what is claimed and that where there are differences between the reference disclosure and the claim, the rejection must be based on § 103 which takes differences into account." *Titanium Metals Corp. v. Banner*, 778 F.2d 775, 227 USPQ 773 (Fed. Cir. 1985) *See MPEP 2131.03*. Thus, since Flynn does not disclose the particular types of historical variable specifically claimed in claim 1, Flynn cannot anticipate claim 1 and the anticipation rejection must be withdrawn.

Claim 11

Claim Elements are Not Found in Flynn

Applicant incorporates the prior arguments made to the examiner in response to the Final office action in which claim elements are described as not being disclosed in Flynn, but does not repeat them herein to clarity. Based on these arguments, several claim elements of claim 11 are not found in Flynn.

In addition, claim 11 now recites "extracting data from one or more external database and collects historical contractor variables from the extracted external database data" which is not disclosed by Flynn because Flynn gathers data from the loan application and a financial & property/project questionnaire which are not external databases. This argument was not addressed by the examiner in the latest office action. Thus, several claim elements are not found in Flynn.

Furthermore, in the latest office action, the examiner admits that the types of historical variables specifically recited in claim 1 (the claimed one or more contractor structure variables, one or more size of contractor business variables, one or more contractor stability variables, one or more contractor engagement variables and one or more contractor performance variables) are not found in Flynn. *See Office action at 5*. The examiner instead argues that, "Examiner asserts the type of historical variables hold little patentable weight in the method and system claim. Examiner asserts that the method of assigning a score to historical contractor variables would be performed the same regardless of the type of variable." *See Office action at 5*. However, in order to anticipate a claim, each claim element must be found, expressly or inherently, in Flynn. Furthermore, "[A]nticipation under § 102 can be found only when the reference discloses exactly what is claimed and that where there are differences between the reference disclosure and the claim, the rejection must be based on § 103 which takes differences into account." *Titanium Metals Corp. v. Banner*, 778 F.2d 775, 227 USPQ 773 (Fed. Cir. 1985) *See MPEP 2131.03*. Thus, since Flynn does not disclose the particular types of historical variable specifically claimed in claim 1, Flynn cannot anticipate claim 11 and the anticipation rejection must be withdrawn.

Claims 2-4 and 12-14

These claims have been rejected as being obvious over Flynn and Connor. These claims depend from claims 1 and 11 and are not obvious over Flynn and Connor for at least the same reasons as set forth above for claims 1 and 11 and Connor does not cure the lack of disclosure of Flynn.

In addition, for claims 2 and 12, the examiner relies on Connor as disclosing the claimed formula. While Connor does disclose a risk factor category scorecard as shown in Figure 4 and may also disclose calculating a risk factor based on a number of category actual scores divided

by a maximum category score (*See Connor at Figure 4 and col. 15, lines 14-50*), it does not disclose "wherein the formula is CRAS = [ε(Ai) / ε(Mi) * 100] where Ai=Assigned score on historical contractor variable i; Mi = maximum score on historical contractor variable i and ε is a summation symbol that uses the claimed historical contractor variables. Thus, Flynn and Connor, alone or in combination, do not disclose this claim and the rejection should be withdrawn.

Claims 5-6, 8, 15-16 and 18

The examiner has rejected these claims as being obvious over Flynn in view of Chandak. Pursuant to MPEP § 2143, to establish a *prima facie* case of obviousness, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings, and the prior art reference must teach or suggest all the claim limitations. *See M.P.E.P. § 2143*. Also, the teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991).

For these claims, because Flynn does not disclose certain claim elements of the independent claims as set forth above from which these claims depend, the combination of Flynn and Chandak do not teach or suggest each claim element because Chandak does not cure the disclosure deficiencies of Flynn and therefore the examiner has not established a prima facie case of obviousness and the rejection must be withdrawn.

Claims 7 and 17

The examiner has rejected these claims as being obvious over Flynn and Chandak and further in view Chen. However, because Flynn does not disclose certain claim elements of the independent claims from which these claims depend, the combination of Flynn, Chandak and Chen do not teach or suggest each claim element because Chandak and Chen do not cure the disclosure deficiencies of Flynn and therefore the examiner has not established a prima facie case of obviousness and the rejection must be withdrawn.

Claims 10 and 20-23

The examiner has rejected these claims as being obvious over Flynn in view of Zizzamia. However, because Flynn does not disclose certain claim elements of the independent claims from which these claims depend, the combination of Flynn and Zizzamia do not teach or suggest each claim element because Zimmamia does not cure the disclosure deficiencies of Flynn and therefore the examiner has not established a prima facie case of obviousness and the rejection must be withdrawn.

CONCLUSION

In view of the above, it is respectfully submitted that Claims 1-23 are allowable over the prior art cited by the Examiner and early allowance of these claims and the application is respectfully requested.

The Examiner is invited to call Applicant's attorney at the number below in order to speed the prosecution of this application.

The Commissioner is authorized to charge any deficiencies in fees and credit any overpayment of fees to Deposit Account No. 07-1896.

Respectfully submitted,

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